DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 02-006

2. STATE: IDAHO

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
05-20-2002

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42CFR 440.120

7. FEDERAL BUDGET IMPACT:
a. FFY 2002 ($ 3,927.789.00)
b. FFY 2003 ($ 14,426,852.00)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1A Program Description, 12. A.
Attachment 3.1A Program Description, 12. A. 2.
Attachment 3.1A Program Description, 12. A. 3.
Attachment 3.1A Program Description, 12. A. 4.
Attachment 4.19-B page 22

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

Attachment 3.1A Program Description, 12. A.
Attachment 3.1A Program Description, 12. A. 2.
Attachment 3.1A Program Description, 12. A. 2. b.
Attachment 3.1A Program Description, 12. A. 4
Attachment 4.19-B page 22

10. SUBJECT OF AMENDMENT:
Allows Medicaid to review medical necessity for and require prior authorization for certain prescription drugs. Specifies that seventy-five percent (75%) of the days supply of prescription drug must be used before Medicaid will pay for refill. These changes will allow Medicaid to have better control over prescription drug spending.

11. GOVERNOR'S REVIEW *(Check One)*:
☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Karl B. Kurtz

13. TYPED NAME:
KARL B. KURTZ Karl B. Kurtz

14. TITLE:
Director Director

15. DATE SUBMITTED:
8/29/02 (rec'd 8/30/02)

16. RETURN TO:

Joseph R. Brunson, Administrator
Idaho Department of Health and Welfare
Division of Medicaid
PO Box 83720
Boise ID 83720-0036

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: NOV 22 2002

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
MAY 20 2002

20. SIGNATURE OF REGIONAL OFFICIAL:
B Butterfield

21. TYPED NAME:
Bunnee A. Butterfield

22. TITLE:
Acting Associate Regional Administrator

23. REMARKS:
This 179 was sent in with approved changes by the state on 8/30/02. CO/RO analysts have approved changes for this SPA. (original submitted 179 follows behind this form)

FORM HCFA-179 (07-92)

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

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OMB NO. 0938-0193

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4. PROPOSED EFFECTIVE DATE
05-20-2002

5. TYPE OF PLAN MATERIAL *(Check One)*:

JUN 28 2002

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

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☐ OTHER, AS SPECIFIED:

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13. TYPED NAME:
KARL B. KURTZ

14. TITLE:
Director

15. DATE SUBMITTED:

16. RETURN TO:

Joseph R. Brunson, Administrator
Idaho Department of Health and Welfare
Divsion of Medicaid
PO Box 83720
Boise ID 83720-0036

FOR REGIONAL OFFICE USE ONLY

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18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

POSTMARKED: 6/27 (DATE) BOISE (CITY)

FORM HCFA-179 (07-92)

12. A. Prescribed drugs are provided for non-institutionalized persons as well as institutionalized patients. Prescriptions for oral contraceptives and diaphragms for women of child bearing age are also eligible for payment. All drug products requiring, by state or federal law, a licensed practitioner's order for dispensing or administration which are medically necessary are purchasable except for (1) those specifically excluded as ineffective or inappropriate by the Department of Health and Welfare policy, or (2) those drugs not eligible for federal participation. A prescription drug is considered medically necessary for a client if it is reasonably calculated to prevent or treat conditions in the client that endanger life, cause pain or functionally significant deformity or malfunction; and there is no other therapeutically interchangeable prescription drug available or suitable for the client requesting the service which is more conservative or substantially less costly; and the prescription drug meets professionally recognized standards of health care and is substantiated by prescriber's records including evidence of such medical necessity. Those records shall be made available to the Department upon request. The criteria used to determine medical necessity is stated in Rules Governing Medical Assistance 16.03.09 Section 40.

1. Excluded Drug Products. The following categories and specific products are excluded:

a) Legend drugs for which Federal Financial Participation is not available.

b) Nonprescription items (without the Federal Legend), except permethrin, oral iron salts, disposable insulin syringes and needles.

c) Diet supplements and weight loss products, except lipase inhibitors.

d) Ovulation stimulants and fertility enhancing drugs.

e) Nicotine cessation products.

f) Medications used for cosmetic purposes.

g) Prescription vitamins except injectable B12, vitamin K, legend vitamin D, legend pediatric vitamin and fluoride preparations, legend prenatal vitamins for pregnant or lactating women, and legend folic acid.

12. A. 2. Prior Authorization will be required for certain drugs and classes of drugs. The state utilizes the Idaho State University School of Pharmacy for literature, research, and the state Drug Utilization Review (DUR) Board, and Medicaid's Medical Director and staff pharmacists within the Division of Medicaid, as the Prior Authorization committee. Criteria used to place drugs on prior authorization is based upon safety, efficacy and clinical outcomes as provided by the product labeling of the drug. Prescribing physicians, pharmacists, and/or designated representatives may contact the Medicaid Pharmacy Unit for prior authorizations via 1-800 phone and fax lines, or by mail. Responses are issued within 24 hours of the request. Pharmacies are authorized to dispense a 72 hour supply of a prior authorized product in the event of an emergency. The program complies with requirements set forth in Section 1927 (d) (5) of the Social Security Act pertaining to prior authorization programs. The following drugs require prior authorization:

a) Amphetamines and related CNS stimulants.

b) Growth hormones.

c) Retinoids.

d) Brand name drugs when acceptable generic form is available.

e) Medications otherwise covered by the Department for which there is a less costly, therapeutically interchangeable medication covered by the Department.

f) Medications prescribed in quantities which exceed the Food and Drug Administration (FDA) dosage guidelines.

g) Medications prescribed outside of the FDA approved indications.

h) Lipase inhibitors.

i) FDA, 1-A rated single source and innovator multi-source drugs manufactured by companies not participating in the National Rebate Agreement, which have been determined by the Department to be medically necessary.

12. A. 3. Additional covered Drug Products. Additional drug products will be allowed as follows:

a. Therapeutic Vitamins

i. Injectable vitamin B12 (cyanocobalamin and analogues); and

ii. Vitamin K and analogues; and

iii. Pediatric vitamin-fluoride preparations; and

iv. Legend prenatal vitamins for pregnant or lactating women; and

v. Legend folic acid; and

vi. Oral legend drugs containing folic acid in combination with Vitamin B12 and/or iron salts, without additional ingredients; and

vii. Legend vitamin D and analogues.

b. Prescriptions for nonlegend products.

i. Insulin; and

ii. Disposable insulin syringes and needles; and

iii. Oral iron salts; and

iv. Permethrin.

12. A. 4. Limitation of Quantities. The state has a limitation that no more than a thirty-four (34) day supply of continuously required medication is to be purchased in a calendar month as a result of a single prescription. To provide enhanced control over this limitation, the Point of Sale (POS) system has added an early refill edit to identify medication refills provided before at least seventy five percent of the estimated days supply has been utilized. This edit can be overridden by the pharmacy if a change in dosage is ordered. The edit is designed to prevent waste and abuse of the pharmacy program by assisting providers and the Department to deny unnecessary refills, and identify clients who may be accessing multiple physicians and pharmacies and stockpiling medications. The following medications are the only exceptions to the 34 day supply limitation:

a. Up to one hundred (100) unit doses or a 100 day supply, whichever is less, of the following medications may be purchased:

   i. Cardiac glycosides; and

   ii. Thyroid replacement hormones; and

   iii. Prenatal vitamins; and

   iv. Nitroglycerin sublingual and dermal patch products; and

   v. Fluoride and vitamin/fluoride combination products; and

   vi. Nonlegend oral iron salts.

b. Oral contraceptive products may be purchased in a quantity sufficient for one (1), two (2), or three (3) cycles.

12. a. Prescription Drugs:

i. Reimbursement is restricted to those drugs supplied from labelers that are participating in the CMS Medicaid Drug Rebate Program.

ii. Reimbursement for all covered drugs shall be limited to the lowest of the following:
   a) Federal Upper Limit (FUL) as established by CMS, plus the dispensing fee assigned by the Department.
   b) State Maximum Allowable Cost (SMAC) as established by the Department, plus the assigned dispensing fee.
   c) Estimated Acquisition cost (EAC)
      i) Defined as the Average Wholesale Price (AWP) minus 12% plus the assigned dispensing fee.
   d) The provider's usual and customary charge to the general public.

iii. Dispensing Fee:
The dispensing fee shall be one of two types:
   a) Regular dose fee is $4.94 per prescription
   b) Unit dose fee is $5.54 per prescription, and is defined as a system of providing individually sealed and appropriate labeled unit dose medication that ensures no more than a 24 hour supply in any client's drug tray at any given time. These trays shall be delivered to the facility at least five days per week.